

One year after taking delivery of its first A319 aircraft, Atlantic Airways celebrates 25 years of operations amid successful transition to the Airbus platform—and high recognition by the aviation industry.

ON 27 MARCH this year (2013) the Faroe Islands' national carrier Atlantic Airways celebrated the 25-year anniversary of its first scheduled flight. It was a festive occasion that was further accentuated by the fact that the airline had successfully met a major challenge one year earlier as it took delivery of, and introduced to operations, a factory new Airbus A319, custom equipped for Faroese conditions.

That success story continued throughout 2012, culminating, in September, with the earning of the Bronze Award from the prestigious European Regions Airline Association (ERA) 'Airline of the Year Awards' in Dublin, Ireland.

The award highlighted Atlantic Airways as a lean, innovative airline that makes a big difference in the community which it primarily serves.

As reason for awarding the prize to Atlantic, the ERA stated: "Atlantic Airways successfully introduced the first RNP-AR [Required Navigation Performance with Authorization Required] EASA [European Aviation Safety Agency] certified navigation technol-



ogy on a new aircraft type, enabling performance enhancements, safety and fuel-saving benefits—a considerable achievement for such a small airline. The judges were also impressed with the airline's management, cost control, identification of new income streams and its involvement in the local Faroese community."

The award was indeed, in the words of Atlantic Airways CEO Magni Arge, "a recognition of our achievement in becoming the first airline in Europe to introduce the satellite-based precision approach system RNP AR 0.1, setting the highest possible standard for Europe's major airlines to follow."

MORE CAPACITY: Financially, Atlantic had a good performance in 2012, although a ground incident in the December peak season took its toll as it kept the Airbus off the skies for three long weeks. Also, a maintenance issue with one of the older aircrafts, which had to have an engine replaced, caused some degree of disruption in the busy month of July.

However with revenues totaling 501 million DKK (67.2 m EUR), the year yielded a 15-percent increase on 2011. A similar pattern was reflected in earnings before interest, taxes, depreciation and amortization (EBITDA), amounting to 83.4 m DKK (11.19 m EUR) in 2012, compared with 74.4 m DKK (9.98 m EUR) in 2011. Meanwhile, total depreciation and impairment came to 58.3 m DKK (7.79 m EUR) in 2012, compared with 43.1 m

DKK (5.65 m EUR) in 2011, making the net result before tax shrink to 17.1 m DKK from 27.5 m DKK in 2011.

"The financial result for 2012 leaves room for improvement during 2013," Mr. Arge said, then explained: "Part of the costs incurred during 2012 were one-off costs related directly to the Airbus A319's entry into service and will not repeat themselves."

He added: "We anticipate to shift more capacity on to the Airbus platform and gradually phase out Avro RJ capacity, and through this obtain higher utilization and lower unit cost."

The number of passengers carried on scheduled services increased to 208,329 in 2012, from 193,450 in 2011,

yet the load factor dropped from 77 to 74 percent. This factor is expected to rise, however, as the Airbus platform becomes integrated into routine operation, said Allan Skaalum, director of sales and marketing.

"It's already working extremely well although it's still new," Mr. Skaalum said. "As for the aircraft, passengers are very pleased with the increased comfort and the same thing goes for our pilots and cabin crew, who find their workspace better, more spacious, and more practical."

"We are running a number of programs designed to sell more passenger seats and increase the average load factor on our established routes. For example, we are promoting two new routes to Bar-

celona and Milan, respectively, but the Faroese market is very limited and so we have to offer our services elsewhere as well."

According to Mr. Skaalum, Atlantic Airways will lease a second Airbus plane this summer and a third to October this year. Both mainly for charter operations out of Billund and Copenhagen, but also for scheduled flights.

"We have a contract with a Danish tour operator which involves destinations in the Middle East throughout the year. We are leasing an Airbus largely for this and the arrangement helps us achieve the best possible use of assets and resources, as our scheduled flights are fewer during the winter."

FLYING HIGH FOR 25 YEARS



CEO Magni Arge; Director of sales and marketing Allan Skaalum (opposite); Airbus A319 (below).

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Atlantic Airways was established in 1987 to develop the Faroese airline industry and airline services, and through this establish a competent aviation environment in the Faroe Islands.

Since its establishment the company has grown from a small enterprise with one aircraft and limited capabilities to a carrier operating several aircraft and helicopters.

172 full-time equivalent employees, and operated 4 aircraft and 2 helicopters at the end of 2012.

Our mission is to transport people and cargo by air with the Faroe Islands as our cornerstone. Our vision is to enable the Faroese people to travel the world and to remain the preferred airline carrier in the Faroe Islands.

Helicopter services in the Faroe Islands. Search and Rescue (SAR) operations. Off-shore operations.

Beyond the fixed-wing market, Atlantic operates a growing helicopter service for the Faroese government and for the offshore oil and gas industry. Helicopter block hours in 2012 almost doubled on the previous year, from 624 to 1162.

